

Quarterly Investment Report



For the Period Ending
May 31, 2006

Prepared by
Financial Services Department

JOHN COOK
MAYOR

Joyce Wilson
CITY MANAGER

CARMEN ARRIETA-CANDELARIA
CHIEF FINANCIAL OFFICER



CITY COUNCIL
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SUSANNAH M. BYRD, DISTRICT 2
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BETO O'ROURKE, DISTRICT 8

FINANCIAL SERVICES DEPARTMENT

June 23, 2006

To: Joyce Wilson, City Manager
Through: William Studer, Deputy City Manager
From: Carmen Arrieta-Candelaria, Chief Financial Officer
Blanca B. Lorkowski, Treasury Services Manager
Subject: Quarterly Investment Report for the Period Ending May 31, 2006

Submitted for your review and acceptance is the City of El Paso third quarter investment report including documentation of investments held and evaluation of investment performance. The Investment Officers have complied with the Public Funds Investment Act, the City's Investment Policy, and adopted Investment Strategies. All funds were invested to meet cash flow requirements for operations, capital projects, and debt service payments.

During this quarter the City bid two investments. The investments were made to satisfy a portfolio diversity requirement and to take advantage of the superior yield in the market. All other cash available was placed into investment pools in order to satisfy liquidity and security. The five investment pools used by the City – TexStar, TexPool, Logic, Wells Fargo and MBIA – had an average yield of 4.70% for the quarter ended May 31, 2006.

The following is a summary comparison of selected information as of February 28, 2006 and May 31, 2006:

	3rd Quarter 2006 May 31, 2006	2nd Quarter 2006 February 28, 2006
Principal Invested	\$214,317,008.34	\$192,615,070.92
Portfolio Book Value	\$213,158,428.61	\$191,655,235.16
Portfolio Fair Value	\$212,953,403.02	\$191,604,105.65
Weighted Average Maturity	146 Days	165 Days

BBL \ quarterly report –May 31, 2006

FINANCIAL SERVICES DEPARTMENT

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The yields on portfolio investments and representative market securities are:

	<u>May 31, 2006</u>
Investment Pools	4.700%
U. S. Agency Securities	4.460%
Average 3-month T-bill Rate	4.720%
Average 6-month T-bill Rate	4.840%
Average 6-month CD Rate	5.200%
City Average Portfolio Yield	5.347%

Attached are additional charts and tables portraying the City's portfolio and summarized reports of portfolio position required by the Texas Public Funds Investment Act.

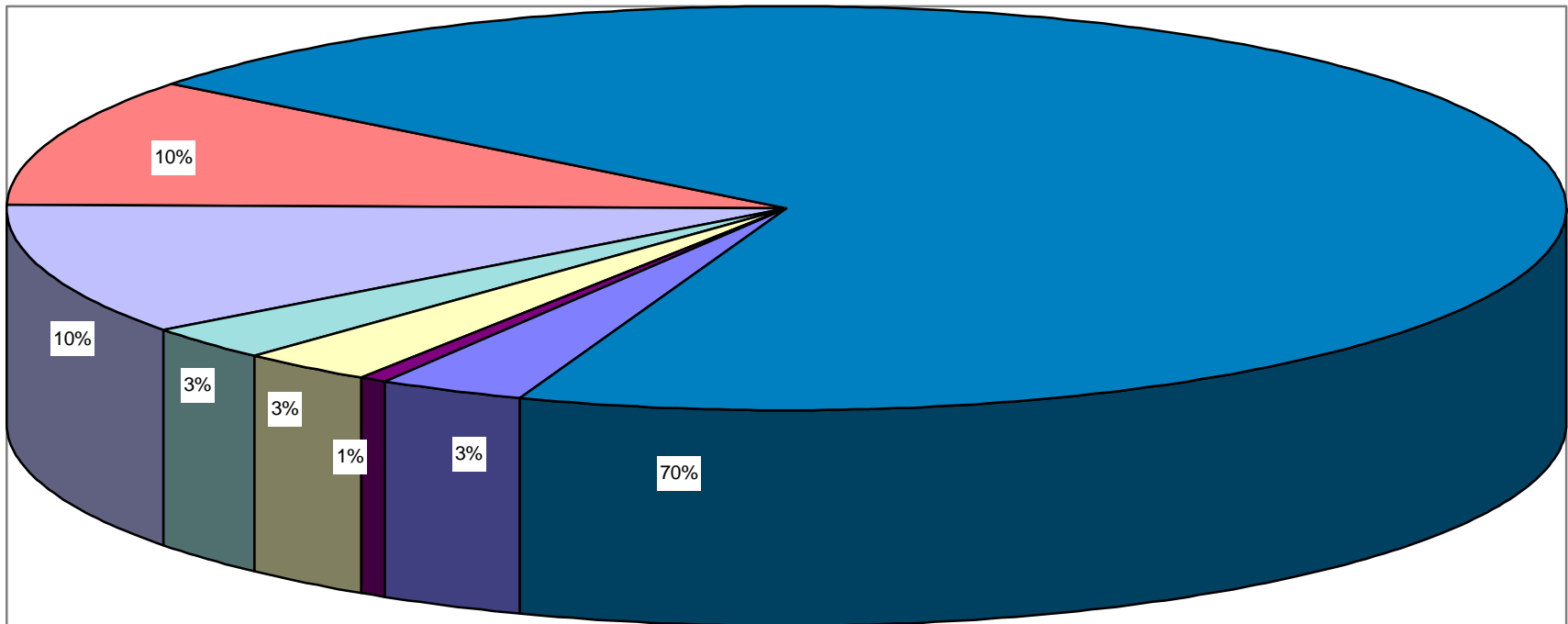
The change in the average portfolio yield for the quarter was 61.4 basis points higher at the end of quarter compared to the beginning of the quarter. This increase is due to the increase in the yields of the investment market in general. The City's current average portfolio yield was higher than the 3-month T-bill rate over the same period by 62.7 basis points.

c: Mayor John Cook and Council Members
City Clerk

ATTACHMENTS:

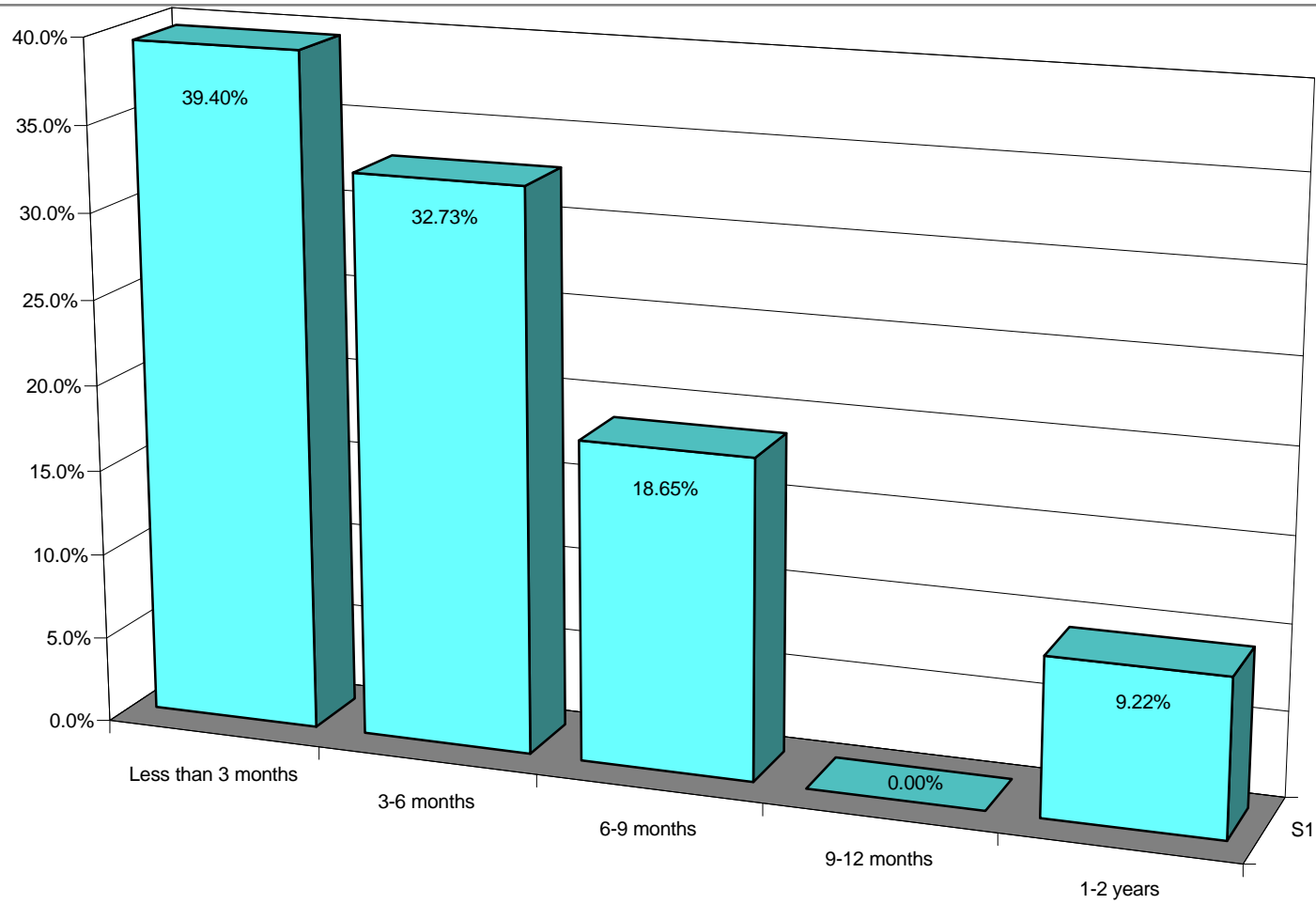
- Chart - City Portfolio by Investment Type
- Chart - Portfolio Maturity
- Chart - Treasury Benchmark Yield Analysis
- Chart - Portfolio Performance Comparison
- Report - Total Return
- Report - Texas Compliance Summary
- Report - Texas Compliance Details

City Portfolio by Investment Type
As of May 31, 2006

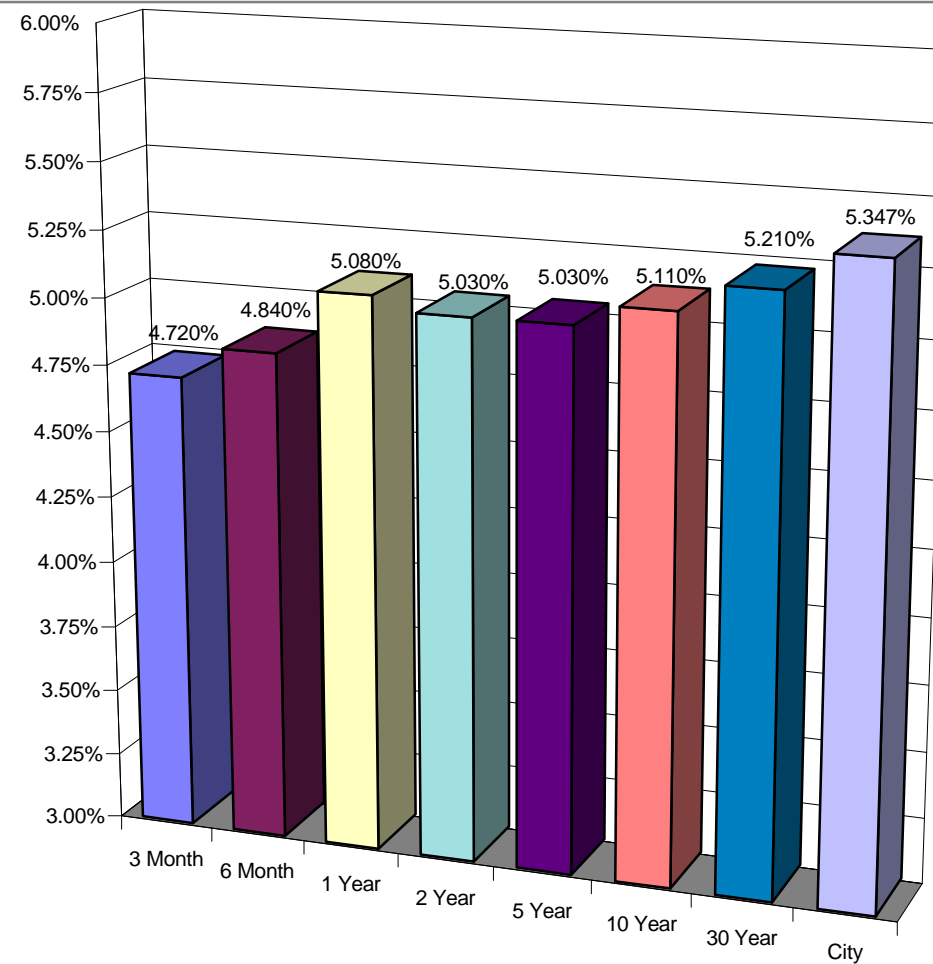


- MBIA
- Wells Fargo-City
- Wells Fargo-PFC
- Logic Investment Pool
- Texpool Investment Pool
- Texstar Investment Pool
- Agency Notes

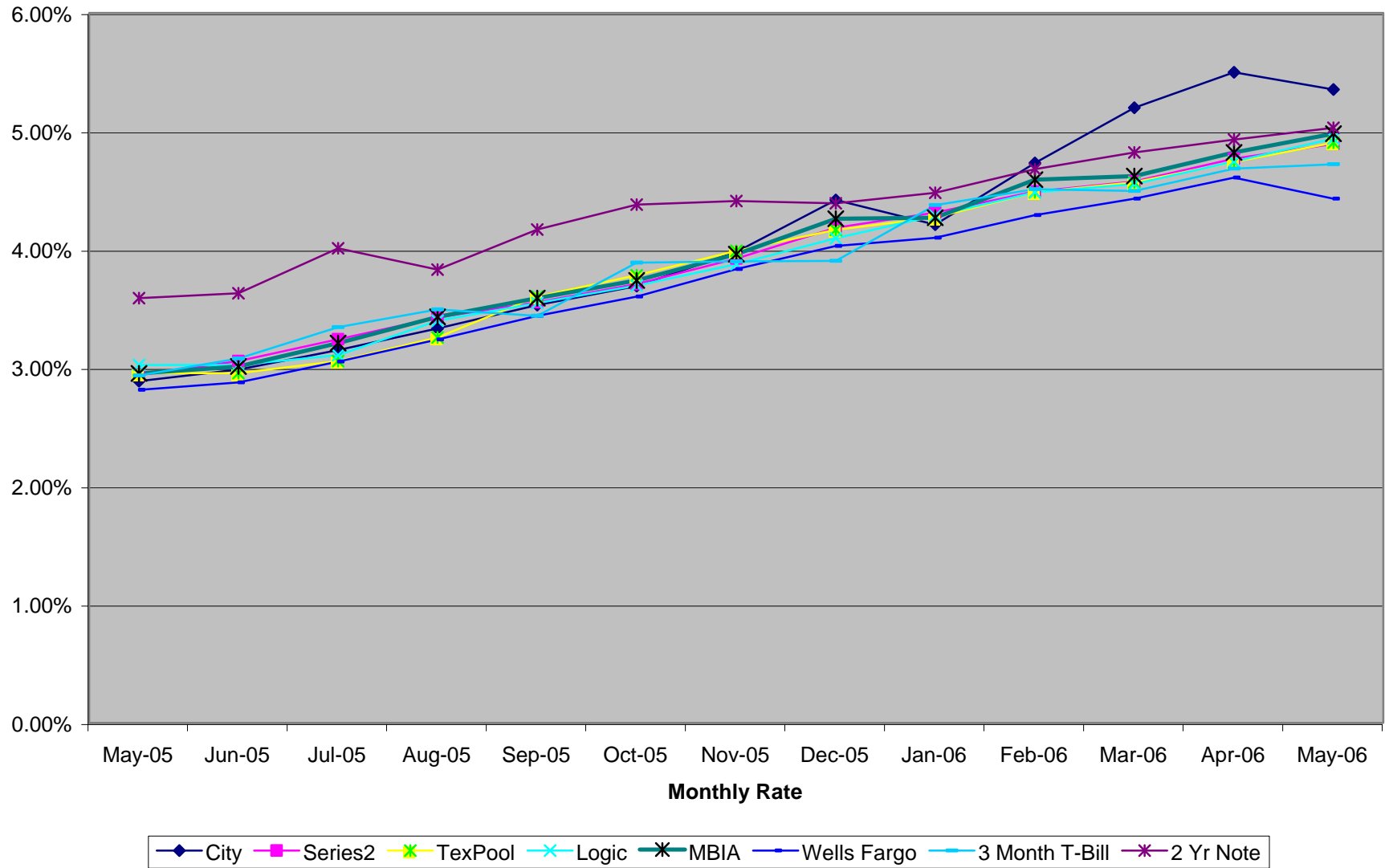
**Portfolio Maturity
As of May 31, 2006**



Treasury Benchmark Yield Analysis
As of May 31, 2006



Portfolio Performance Comparison for the Period May 2005 through May 2006





City of El Paso
Total Return
March 1, 2006 - May 31, 2006
Yield on Time Weighted Value

CUSIP	Investment #	Fund	Investment Class	Beginning Invested Value	Time Weighted Invested Value	Ending Invested Value	Maturity Date	Current Rate	Total Return	Investment Income		
										Interest Earned	Adjustment In Value	Net Investment Income
Issuer: Federal Home Loan Bank												
3133X92A7	510000044	01	Amortized	5,000,000.00	5,000,000.00	5,000,000.00	11/09/2006	3.030	3.005	37,875.00	0.00	37,875.00
3128X4S11	511000045	01	Amortized	14,998,966.67	14,998,966.67	14,999,341.67	11/09/2006	4.500	4.474	168,750.00	375.00	169,125.00
3133X2941	511000046	01	Amortized	19,660,808.08	19,660,808.08	19,727,171.72	06/11/2007	4.663	6.044	233,150.00	66,363.64	299,513.64
			Subtotal	39,659,774.75	39,659,774.75	39,726,513.39			5.067	439,775.00	66,738.64	506,513.64
Issuer: Federal National Mortgage Assn												
313397ZUB	511000048	01	Amortized	9,819,555.56	9,819,555.56	9,931,555.56	07/26/2006	4.646	9.218	116,157.50	112,000.00	228,157.50
313397ZUB	511000049	01	Amortized	9,819,112.50	9,819,112.50	9,931,387.50	07/26/2006	4.658	9.242	116,450.00	112,275.00	228,725.00
31359MNT3	511000050	01	Amortized	0.00	1,900,466.21	25,006,843.84	11/15/2006	5.260	3.044	3,729.54	10,850.97	14,580.51
31359MNT3	511000051	01	Amortized	0.00	1,879,047.47	24,723,186.31	11/15/2006	5.245	4.184	9,089.79	10,727.56	19,817.35
31359MYS6	511000047	01	Amortized	39,741,721.43	39,741,721.43	39,806,833.67	02/28/2007	4.671	5.262	461,954.18	65,112.24	527,066.42
			Subtotal	59,380,389.49	63,159,903.17	109,399,806.88			6.397	707,381.01	310,965.77	1,018,346.78
Issuer: Logic Investment Pool												
746000749	5010000007	01	Amortized	2,155,097.48	3,154,604.07	6,179,338.94		4.939	4.817	38,299.19	0.00	38,299.19
	5010000008	01	Amortized	0.00	0.00	0.00				0.00	0.00	0.00
			Subtotal	2,155,097.48	3,154,604.07	6,179,338.94			4.817	38,299.19	0.00	38,299.19
Issuer: MUNICIPAL INVESTORS SVC CORP.												
TX0103050001	5010000007	01	Amortized	8,876,731.38	7,275,501.75	6,458,449.85		4.700	4.242	77,781.72	0.00	77,781.72
			Subtotal	8,876,731.38	7,275,501.75	6,458,449.85			4.242	77,781.72	0.00	77,781.72
Issuer: TEXPOOL Investment Pool												
071031111000	5020000007	01	Amortized	16,811,733.82	17,798,882.35	21,995,098.54		4.902	4.749	213,069.99	0.00	213,069.99
			Subtotal	16,811,733.82	17,798,882.35	21,995,098.54			4.749	213,069.99	0.00	213,069.99
Issuer: Textstar												
746000749	5030000007	01	Amortized	59,703,897.62	43,862,061.86	22,294,877.30		4.893	4.704	520,088.67	0.00	520,088.67
			Subtotal	59,703,897.62	43,862,061.86	22,294,877.30			4.704	520,088.67	0.00	520,088.67

Total Return

March 1, 2006 - May 31, 2006

CUSIP	Investment #	Fund	Investment Class	Beginning Invested Value	Time Weighted Invested Value	Ending Invested Value	Maturity Date	Current Rate	Total Return	Investment Income			
										Interest Earned	Adjustment in Value	Net Investment Income	
Issuer: Vista Investment Pool													
608352	5060000007	01	Amortized	0.00	0.00	0.00		0.836		0.00	0.00	0.00	
332150	5060000008	02	Amortized	0.00	0.00	0.00		2.350		0.00	0.00	0.00	
			Subtotal	0.00	0.00	0.00				0.00	0.00	0.00	
Issuer: WELLS FARGO GOVERNMENT MMF INS													
12828893	5060000009	02	Amortized	4,556,148.64	5,288,009.68	5,939,299.86		4.740	4.598	61,289.13	0.00	61,289.13	
12826111	5060000010	01	Amortized	511,461.98	3,738,343.13	1,165,043.85		4.740	4.645	43,763.61	0.00	43,763.61	
			Subtotal	5,067,610.62	9,026,352.81	7,104,343.71			4.617	105,052.74	0.00	105,052.74	
			Total	191,655,235.16	183,937,080.76	213,158,428.61			5.347	2,101,448.32	377,704.41	2,479,152.73	

Components of Return:

Interest:

4.533

Amortization:

0.815

Market Value:



City of El Paso
Texas Compliance Summary
Sorted by Investment Class
March 1, 2006 - May 31, 2006

Investment Class	Value beginning	03/01/2006	Par Value	Market Value	Book Value	Accrued Interest
Amortized Cost						
	Value beginning	03/01/2006	192,615,070.92	191,603,638.98	191,655,235.16	6,474,815.13
	Net Change		21,702,037.42	21,349,764.04	21,503,193.45	629,266.69
	Value ending	05/31/2006	214,317,108.34	212,953,403.02	213,158,428.61	7,104,081.82
Total	Value beginning	03/01/2006	192,615,070.92	191,603,638.98	191,655,235.16	6,474,815.13
	Net Change		21,702,037.42	21,349,764.04	21,503,193.45	629,266.69
	Value ending	05/31/2006	214,317,108.34	212,953,403.02	213,158,428.61	7,104,081.82



City of El Paso
Texas Compliance Details
Sorted by Investment Class
May 31, 2006

CUSIP	Investment #	Fund	Issuer	Investment Type	Par Value	Maturity Date	Call Date	Current Rate	Market Price	Market Date	Market Value	Book Value
Investment Class: Amortized Cost												
746000749	5010000007	01	Logic Investment Pool	PA1	6,179,338.94			4.939	100.000	08/31/1999	6,179,338.94	6,179,338.94
07103111000	5020000007	01	TEXPOOL Investment Pool	PA1	21,995,098.54			4.902	100.000	05/31/2000	21,995,098.54	21,995,098.54
746000749	5030000007	01	Texstar	PA1	22,294,877.30			4.893	100.000	02/29/2004	22,294,877.30	22,294,877.30
TX0103050001	5010000007	01	MUNICIPAL INVESTORS SVC CORP.	PA1	6,458,449.85			4.700	100.000	01/31/2004	6,458,449.85	6,458,449.85
12828893	5060000009	02	WELLS FARGO GOVERNMENT MMF INS	PA1	5,939,299.86			4.740	100.000	03/09/2005	5,939,299.86	5,939,299.86
12826111	5060000010	01	WELLS FARGO GOVERNMENT MMF INS	PA1	1,165,043.85			4.740	100.000	04/05/2005	1,165,043.85	1,165,043.85
313397ZUB	5110000048	01	Federal National Mortgage Assn	FAC	10,000,000.00	07/26/2006		4.646			9,931,555.56	9,931,555.56
313397ZUB	5110000049	01	Federal National Mortgage Assn	FAC	10,000,000.00	07/26/2006		4.658			9,931,387.50	9,931,387.50
3133X92A7	5100000044	01	Federal Home Loan Bank	FAC	5,000,000.00	11/09/2006		3.030			5,000,000.00	5,000,000.00
3128X4SU1	5110000045	01	Federal Home Loan Bank	FAC	15,000,000.00	11/09/2006		4.500	99.990	11/09/2005	14,998,500.00	14,999,341.67
31359MNT3	5110000051	01	Federal National Mortgage Assn	FAC	25,000,000.00	11/15/2006		5.245	98.784	05/25/2006	24,712,458.75	24,723,186.31
31359MNT3	5110000050	01	Federal National Mortgage Assn	FAC	25,285,000.00	11/15/2006		5.260	98.784	05/25/2006	24,995,992.87	25,006,843.84
31359MYS6	5110000047	01	Federal National Mortgage Assn	FAC	40,000,000.00	02/28/2007		4.671	99.291	01/26/2006	39,716,400.00	39,806,833.67
3133X2941	5110000046	01	Federal Home Loan Bank	FAC	20,000,000.00	06/11/2007		4.663	98.175	01/26/2006	19,635,000.00	19,727,171.72
				Subtotal	214,317,108.34							213,158,428.61
				Total	214,317,108.34							213,158,428.61